UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION
www.flsb.uscourts.gov

In re: Case No: 26-12313-EPK
Chapter 11, Subchapter V

IPIC THEATERS, LLC,
Debtor.

_____________________________________/

DEBTOR'S MOTION FOR ENTRY OF AN ORDER APPROVING REJECTION OF CERTAIN LEASE AGREEMENT AND EXECUTORY CONTRACTS EFFECTIVE AS OF APRIL 28, 2026

COMES NOW iPic Theaters, LLC (the "Debtor") in the above-captioned chapter 11, subchapter V case (the "Subchapter V Case"), by and through its undersigned counsel, and hereby files this motion (the "Motion") pursuant to sections 105(a) and 365(a) of title 11 of the United States Code, 11 U.S.C. § 101, *et seq.* (the "Bankruptcy Code"), and Rule 9006(c) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") for entry of an order, substantially in the form attached hereto as **Exhibit A** (the "Proposed Order"), authorizing the Debtor to reject the Lease Agreement and executory contracts set forth in **Exhibit B** effective as of April 28, 2026. In support of the Motion, the Debtor states as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

BACKGROUND

2. On February 25, 2026 (the "Petition Date"), the Debtor filed a voluntary petition for relief under subchapter V of chapter 11 of the Bankruptcy Code. The Debtor is operating its

business and managing its assets and operations as a debtor-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. A description of the Debtor's business, the reasons for commencing the Subchapter V Case, and certain facts and circumstances supporting this Motion are set forth in the *Declaration of Joseph Luzinski in Support of First Day Relief* (ECF No. 18) and the *Chapter 11 Case Management Summary* (ECF No. 15).

4. On or about January 16, 2008, PPR Redmond Retail LLC, a Delaware limited liability company ("Original Landlord"), as landlord, and Village Roadshow Gold Class Cinemas LLC, a Delaware limited liability company ("Original Tenant"), as tenant, entered into that certain *Lease Agreement* dated as of January 16, 2008 (the "Original Lease"), whereby Original Landlord leased to Original Tenant, and Original Tenant leased from Original Landlord, certain premises described therein (the "Premises") in the shopping center commonly known as Redmond Town Center, 7330 164th Ave. NE, Ste. E200, Redmond, Washington 98052 (the "Redmond Location").

5. On or about June 29, 2009, Original Landlord and Original Tenant entered into that certain *First Amendment of Lease Agreement* dated as of June 29, 2009 (the "First Amendment"), wherein the parties agreed to make certain modifications to the Original Lease, as more particularly set forth therein.

6. On or about September 20, 2010, the Original Landlord, Original Tenant, and iPic-Gold Class Entertainment, LLC, a Delaware limited liability company ("iPic-Gold") entered into that certain *Assignment, Assumption, Consent, and Second Amendment to Lease* dated as of September 20, 2010 (the "Second Amendment"), pursuant to which (i) Original Tenant assigned to iPic-Gold, and iPic-Gold assumed, all of Original Tenant's right, title, and interest as "Tenant" in, to, and under the Original Lease, as amended; (ii) Original Landlord consented to such

assignment; and (iii) the parties agreed to make certain other modifications to the Original Lease, as amended, as more particularly set forth therein.

7. On or about November 15, 2019, iPic-Gold and Debtor entered into that certain *Assignment and Assumption of Theater Lease* dated November 15, 2019 (the "Theater Assignment"), pursuant to which iPic-Gold assigned to Debtor, and Debtor assumed, all of iPic-Gold's right, title, and interest as "Tenant" in, to, and under the Original Lease, as amended.

8. On or about August 6, 2021, the Debtor and FHR Main Retail Center, LLC, a Delaware limited liability company ("FHR"), as successor to all right, title, and interest of Original Landlord as "Landlord" in, to, and under the Original Lease, as amended, entered into that certain *Third Amendment to Lease Agreement* dated August 6, 2021 (the "Third Amendment," and together with the Original Lease, First Amendment, Second Amendment, Theater Assignment, and any and all other amendments and/or modifications to the Original Lease, the "Lease Agreement"), wherein (i) Debtor exercised its right to extend the term of the Original Lease, as amended, for an additional period of 5 years commencing on October 1, 2025 and expiring on September 30, 2030; and (ii) the parties agreed to make certain other modifications to the Original Lease, as amended, as more particularly set forth therein.

9. The Debtor and Ecolab Inc. entered into a contract for the rental of dishwasher machines for the Redmond Location, identified as Contract No. 504179164 ("Ecolab 9164 Contract").

10. The Debtor and Ecolab Inc. also entered it a contract for the lease of a kitchen printer and tablet for the Redmond Location, identified as Contract No. 506711103 ("Ecolab 1103 Contract").

11. The Debtor and NuCO2 entered into a contract for the rental of CO2 for the Redmond Location, identified as Contract No. 748841 ("NuCO2 Contract," and together with the Ecolab 9164 Contract and Ecolab 1103 Contract, the "Executory Contracts").

12. On or about February 23, 2026, the Debtor issued the written notices required by the Worker Adjustment and Restraining Notification Act (the "WARN Act") to all employes at the Redmond Location, advising them of the permanent cessation of operations and termination of their employment effective April 28, 2026.

13. As set forth above, the term of the Lease Agreement does not expire until September 30, 2030. However, as of April 28, 2026, the Debtor will cease operations at the Redmond Location and will no longer occupy or use the Premises. The continued existence of the Lease Agreement clouds the title and impairs FHR's ability to relet, market, or otherwise use the Premises. Accordingly, the Debtor seeks to formally reject the Lease Agreement and the Executory Contracts to alleviate these burdens and to provide certainty that the Debtor will not incur any further obligations thereunder.

RELIEF REQUESTED

14. By this Motion, the Debtor seeks entry of an order authorizing the rejection of the Lease Agreement and Executory Contracts effective as of April 28, 2026. The Debtor has determined that the Lease Agreement and Executory Contracts no longer provide any benefit to the estate and, unless rejected promptly, will continue to impose significant and unnecessary administrative burdens and financial obligations on the estate. The Debtor respectfully submits that the requested relief is necessary, appropriate, and in the best interests of the estate and its creditors.

15. Prior to filing this Motion, Debtor's counsel discussed the relief requested herein as it relates to FHR with counsel for FHR, and counsel for FHR indicated that FHR has no objection to the relief requested herein with respect to FHR.

BASIS FOR RELIEF REQUESTED

16. The Debtor's primary objective in this Subchapter V Case has been to maximize the value of the estate during an orderly liquidation process. In furtherance of that objective, and after providing the required WARN Act notices and preparing to cease all operations at the Redmond Location, the Debtor, in the sound exercise of its business judgment, has determined that the Lease Agreement and Executory Contracts listed in Exhibit B are no longer necessary for the administration of the estate and constitutes a burdensome obligation that should be rejected.

17. Section 365(a) of the Bankruptcy Code provides that the trustee or debtor-in-possession may assume or reject any executory contract or unexpired lease of the debtor, subject to approval by the court. *See* 11 U.S.C. § 365(a). The purpose behind allowing the rejection of executory contracts and unexpired leases is to permit the debtor-in-possession to "relieve the bankruptcy estate of burdensome agreements which have not been completely performed." *Stewart Title Guar. Co. v. Old Republic Nat'l Title Ins. Co.*, 83 F.3d 735, 741 (5th Cir. 1996).

18. In considering a motion to assume or reject an executory contract or unexpired lease, a bankruptcy court reviews a debtor's decision under a "traditional 'business judgment' standard." *Byrd v. Gardinier, Inc. (In re Gardinier, Inc.)*, 831 F.2d 974, 976 n.2 (11th Cir. 1987); *see Matter of Condo. Ass'n of Plaza Towers S., Inc.*, 43 B.R. 18, 21 (Bankr. S.D. Fla. 1984). "The business judgment test requires a showing that rejection of the contract will likely benefit the [bankruptcy] estate. However, the bankruptcy court may not substitute its own judgment for that of the debtor unless the debtor's decision is so manifestly unreasonably that it must be based upon bad faith, whim or caprice." *Colony Beach & Tennis Club, Inc. v. Colony Beach & Tennis Club*

Ass'n, Inc. (In re Colony Beach & Tennis Club Ass'n, Inc.), No. 8:09-cv-535-T-33, 2010 WL 746708, at *3 (M.D. Fla. Mar. 2, 2010) (internal quotations and citations omitted) (alteration in original).

19. Upon finding that the Debtor has exercised its sound business judgment in determining that rejection of the Lease Agreement and Executory Contracts is in the best interests of the Debtor and its estate, the Court should approve the proposed rejection under section 365(a) of the Bankruptcy Code. *See, e.g.*, *In re ASPC Corp.*, 601 B.R. 766, 797–98, 809 (Bankr. S.D. Ohio 2019); *Summit Land Co. v. Allen (In re Summit Land Co.)*, 13 B.R. 310, 315 (Bankr. D. Utah 1981) (holding that, absent extraordinary circumstances, court approval of a debtor's decision to assume or reject an executory contract "should be granted as a matter of course"). If a debtor's business judgment has been reasonably exercised, a court should approve the assumption or rejection of an unexpired lease. *See, In re Farrar McWill, Inc*, 26 B.R. 313, 315 (Bankr. W.D. Ky. 1982). To avoid incurring any unnecessary expenses and administrative obligations related to the Lease Agreement and Executory Contracts, the Debtor seeks to reject the Lease Agreement and Executory Contracts effective as of April 28, 2026, the date on which the Debtor will cease all operations at the Redmond Location and vacates the Premises.

20. The Debtor has satisfied the "business judgment" standard for rejection of the Lease Agreement and Executory Contracts. The Lease Agreement requires the Debtor to continue funding obligations for rent, real property taxes, insurance, and other related expenses for the Premises that will no longer be occupied, used, or needed by the Debtor following the cessation of operations at the Redmond Location. Likewise, the Executory Contracts require the Debtor to continue making payments for equipment rentals and related services associated exclusively with the Redmond Location, including the dishwasher machines, kitchen printer and tablet, and CO2

rental. Continued payment of these obligations would impose unnecessary administrative expenses on the estate without providing any corresponding benefit to the Debtor or its creditors. Because the Premises and the obligations under the Executory Contracts are no longer necessary for the Debtor's operations or liquidation efforts, the Lease Agreement and Executory Contracts are financially burdensome and unnecessary to the administration of the estate.

21. For all the foregoing reasons, the Debtor respectfully submits that the rejection of the Lease Agreement and Executory Contracts under section 365(a) of the Bankruptcy Code, effective as of April 28, 2026, is a sound exercise of its business judgment and is necessary, prudent, and in the best interests of the Debtor, its estates, and its creditors.

NOTICE

22. Notice of the hearing on the relief requested herein will be provided by the Debtor in accordance and compliance with Bankruptcy Rules 4001 and 9014, as well as applicable local bankruptcy rules, and is sufficient under the circumstances. Notice of this Motion will be provided to: (a) the Office of the United States Trustee (via email); (b) the parties included on the Debtor's list of its 20 largest unsecured creditors (via overnight mail or first class mail if necessary); (c) the United States Attorney for the Southern District of Florida (via email); (d) the Subchapter V Trustee (via email); (e) Ecolab, Inc., 1 Ecolab Place, St. Paul, MN 55102 (via first class mail); (f) NuCO2, PO Box 417902, Boston, MA 02241-7902 (via first class mail); (g) FHR Main Retail Center, LLC, c/o Fairbourne Properties, LLC, Attn: George Manojlovic, 200 South Michigan Avenue, Suite 400, Chicago, IL 60604 (via first class mail); (h) FHR Main Retail Center, LLC, c/o Fairbourne Properties, LLC, Attn: Jessica Shand, 7345 164th Ave NE, Suite I-115, Redmond, WA 98052 (via first class mail); (i) FHR Main Retail Center, LLC, c/o Harbert Management Corporation, Attn: Tom Tewksbury, 575 Market Street, Suite 2925, San Franscisco, CA 94105 (via first class mail); and (j) all parties that have requested notice pursuant to Bankruptcy Rule

2002 (via overnight mail or first class mail if necessary), and notice was provided via email as available. Due to the urgency of the circumstances surrounding this Motion and the nature of the relief in it, the Debtor respectfully submits that no further notice of this Motion is required.

WHEREFORE, for the reasons set forth herein, the Debtor respectfully requests that the Court enter an order, substantially in the form attached hereto as Exhibit A granting the relief requested herein, and such other relief as may be just and proper under the circumstances.

Respectfully submitted this 28th day of April, 2026.

BURR & FORMAN LLP

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Counsel for Debtor, IPIC Theaters, LLC

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on April 28, 2026, I electronically filed the foregoing document with the Clerk of Court using CM/ECF, which will provide Notice of Electronic Filing generated by CM/ECF to those parties registered to receive electronic notices of filing in this case. I further certify that the foregoing document will be served as follows: (a) the Office of the United States Trustee (via email); (b) the parties included on the Debtor's list of its 20 largest unsecured creditors (via overnight mail or first class mail if necessary); (c) the United States Attorney for the Southern District of Florida (via email); (d) the Subchapter V Trustee (via email); (e) Ecolab, Inc., 1 Ecolab Place, St. Paul, MN 55102 (via first class mail); (f) NuCO2, PO Box 417902, Boston, MA 02241-7902 (via first class mail); (g) FHR Main Retail Center, LLC, c/o Fairbourne Properties, LLC, Attn: George Manojlovic, 200 South Michigan Avenue, Suite 400, Chicago, IL 60604 (via first class mail); (h) FHR Main Retail Center, LLC, c/o Fairbourne Properties, LLC, Attn: Jessica Shand, 7345 164th Ave NE, Suite I-115, Redmond, WA 98052 (via first class mail); (i) FHR Main Retail Center, LLC, c/o Harbert Management Corporation, Attn: Tom Tewksbury, 575 Market Street, Suite 2925, San Franscisco, CA 94105 (via first class mail); (j) all parties that have requested notice pursuant to Bankruptcy Rule 2002 (via overnight mail or first class mail if necessary); and (k) by email to all interested parties for whom an email address is reasonably ascertainable and, for all other parties, by telecopier or other means reasonably calculated to ensure prompt receipt.

/s/ Kylie A. Riordan
Kylie A. Riordan, Esq.

EXHIBIT A

(Proposed Order)

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH DIVISION
www.flsb.uscourts.gov

In re: Case No: 26-12313
Chapter 11, Subchapter V

IPIC THEATERS, LLC,
Debtor.

_____________________________________/

ORDER GRANTING DEBTOR'S MOTION FOR ENTRY OF AN ORDER APPROVING REJECTION OF CERTAIN LEASE AGREEMENT AND EXECUTORY CONTRACTS EFFECTIVE AS OF APRIL 28, 206

THIS MATTER came before the Court for hearing on ___________, 2026 (the "Hearing") on *Debtor's Motion for Entry of an Order Approving Rejection of Certain Lease Agreement and Executory Contracts Effective as of April 28, 2026* (ECF No. ___) (the "Motion")[1] filed by the

[1] Unless otherwise defined herein, all capitalized terms shall have the meaning ascribed to the in the Motion.

Debtor, iPic Theaters, LLC (the "Debtor"). After hearing argument of counsel and considering the Motion and the court file, the Court finds that (a) it has jurisdiction over this proceeding pursuant to 28 U.S.C. §§ 157 and 1334; (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b); (c) venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; (d) sufficient notice has been provided under the circumstances; and (e) good and sufficient cause exists for the relief granted , as set forth herein.

Accordingly, it is **ORDERED** as follows:

1. The Motion is GRANTED pursuant to the terms of this Order.

2. Pursuant to sections 105(a) and 365(a) of the Bankruptcy Code and Bankruptcy Rule 6006, the Lease Agreement and Executory Contracts, to the extent not already terminated in accordance with its applicable terms or upon agreement of the parties, are hereby rejected by the Debtor, with such rejection being effective as of April 28, 2026.

3. Any person or entity that holds a claim that arises from the Lease Agreement or the Executory Contracts must file a proof of claim within thirty (30) days after the entry of this Order.

4. Nothing in the Motion or this Order is or should be construed as: (i) an admission as to the validity, amount, or priority of any claim against the Debtor; (ii) a waiver of the Debtor's rights to dispute any claim, including, without limitation, Debtor's rights to dispute the administrative status of a claim or an assertion that the services provided by a counterparty were necessary or beneficial to the estate; (iii) a promise or requirement to pay any claim; (iv) a waiver of any claim or cause of action of the Debtor that exists against any entity; (v) a ratification or assumption of any agreement, contract, or lease under section 365 of the Bankruptcy Code; (vi) a waiver of the Debtor's right to recoup or recover amounts paid under the Lease Agreement or

Executory Contracts; (vii) a waiver or limitation of the Debtor's rights under the Bankruptcy Code, any other applicable law or any agreement; or (viii) an admission or concession by the Debtor that any lien is valid, and the Debtor expressly reserves and preserves its rights to contest the extent, validity, or perfection, or seek avoidance, of any lien.

5. The rights of the Debtor and its estate to assert that the Lease Agreement and Executory Contracts rejected hereby are not executory, expired by their own terms, or were terminated prior to the date of the entry of this Order are fully preserved.

6. The Debtor is authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

7. This Court shall retain jurisdiction to hear and determine all matters, claims, rights, or disputes arising from or relating to the implementation of this Order.

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Submitted by:

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Christopher R. Thompson, Esq., Burr & Forman LLP, is directed to serve copies of this order upon all non-registered users or registered users who have yet to appear electronically in this case and file a conforming certificate of service.

<u>EXHIBIT B</u>

1. *Lease Agreement* dated as of January 16, 2008, by and between PPR Redmond Retail LLC and Village Roadshow Gold Class Cinemas LLC, as amended by that certain *First Amendment of Lease Agreement* dated as of June 29, 2009, by and between PPR Redmond Retail LLC and Village Roadshow Gold Class Cinemas LLC, as further amended by that certain *Assignment, Assumption, Consent, and Second Amendment to Lease* dated as of September 20, 2010, by and between PPR Redmond Retail LLC, Village Roadshow Gold Class Cinemas LLC, and iPic-Gold Class Entertainment, LLC, as further amended by that certain *Assignment and Assumption of Theater Lease* dated November 15, 2019, by and between iPic-Gold Class Entertainment, LLC and iPic Theaters, LLC, and as further amended by that certain *Third Amendment to Lease Agreement* dated August 6, 2021, by and between FHR Main Retail Center, LLC, as successor to PPR Redmond Retail LLC, and iPic Theaters, LLC.

2. Contract No. 504179164 between iPic Theaters, LLC and Ecolab Inc.

3. Contract No. 506711103 between iPic Theaters, LLC and Ecolab Inc.

4. Contract No. 748841 between iPic Theaters, LLC and NuCO2.